

# Business Results for the ended Nov. 31, 2015

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Jan. 27, 2016



## Outline

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|--|-------|
| 1. Overview of FY2015 Results &<br>Progress of Mid-term Business Plan. | 2~12  |
| 2. FY2015 Results & FY2016 Forecast                                    | 13~25 |

# FY2015 Full-Year Results

## Overview

(Billions of yen)

	FY2014		FY2015	
	Full Year	Full Year * In real terms	Full Year	Change
<b>Net sales</b>	218.2	207.4	<b>218.5</b>	(+5.3%) <b>+11.0</b>
<b>Operating income</b>	18.5	18.0	<b>18.9</b>	(+4.9%) <b>+0.8</b>
<b>Ordinary income</b>	18.4	17.8	<b>17.3</b>	(Δ3.2%) <b>Δ0.5</b>
<b>Net income</b>	9.9	9.5	<b>11.5</b>	(+21.9%) <b>+2.0</b>
<b>Dividend per share</b>	8yen		<b>10yen</b>	

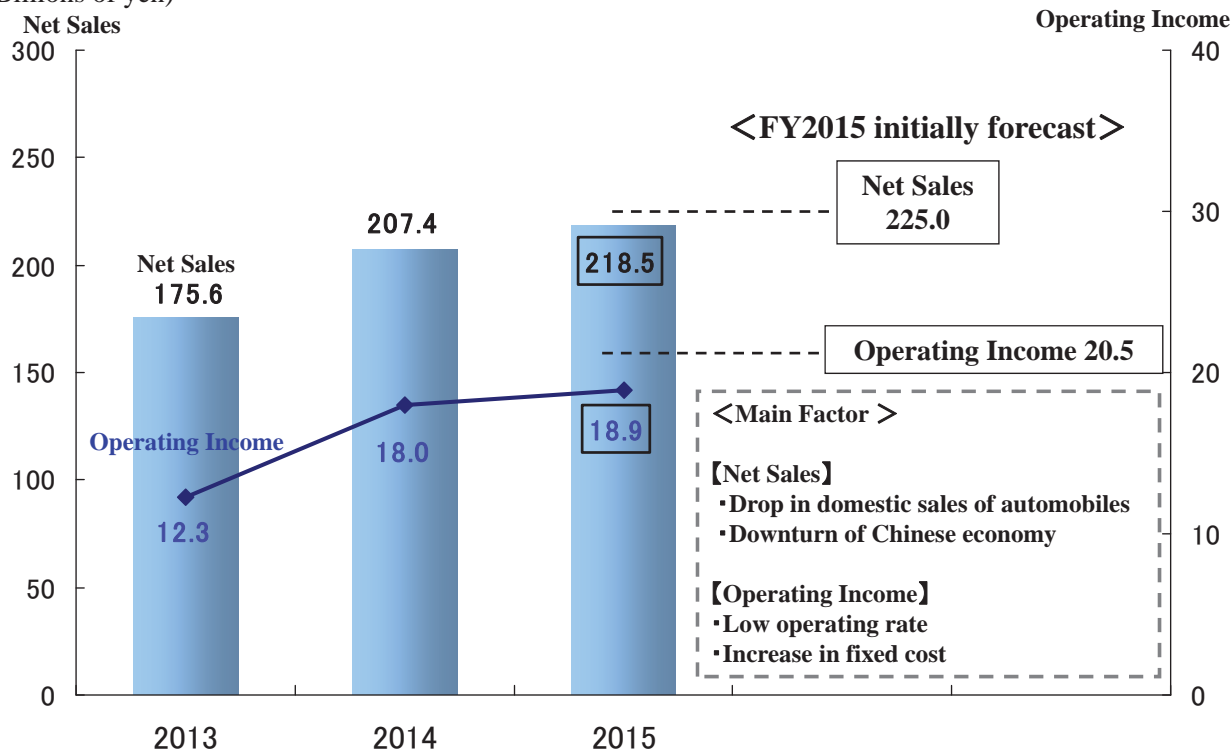
\* FY2014 do not include the effect of FY period change of overseas consolidated subsidiaries.

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# Trend of Net Sales & Operating Income

## Overview

(Billions of yen)



\* FY2014 do not include the effect of FY period change of overseas consolidated subsidiaries.

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# Outlook for FY2016

## Overview

(Billions of yen)

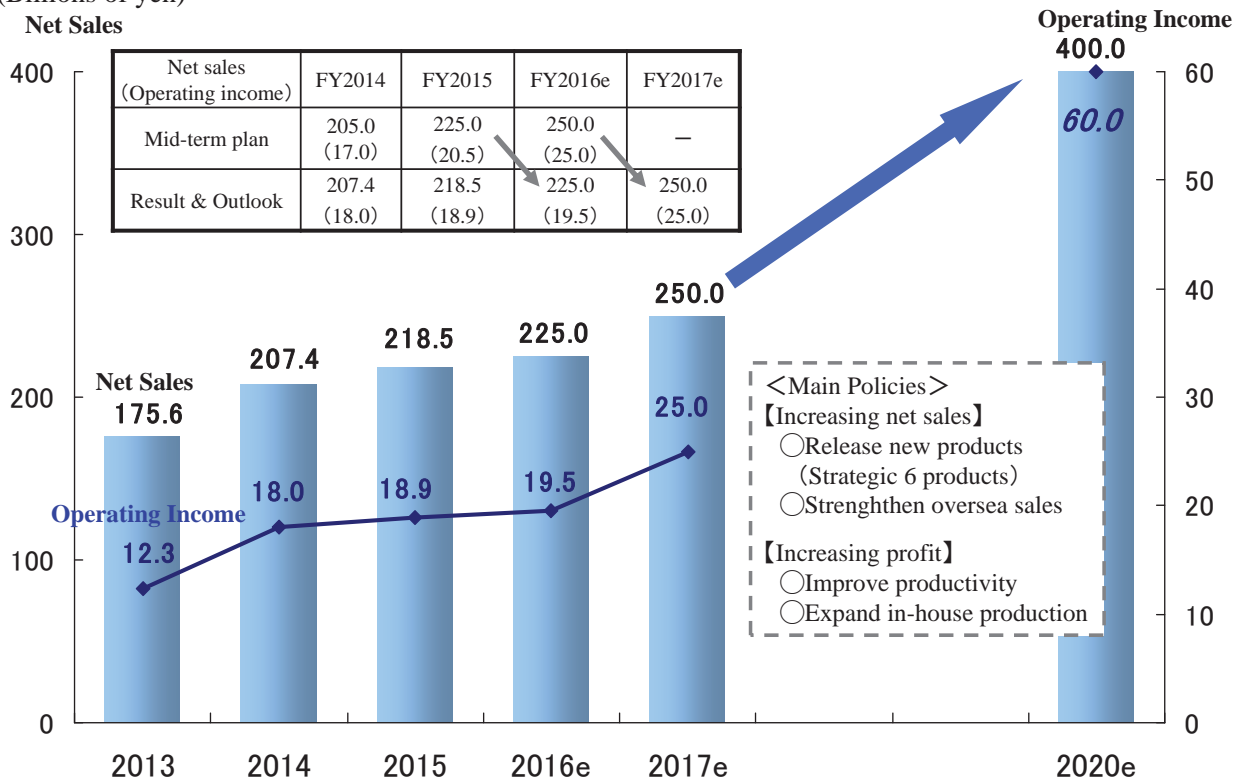
	FY2015	FY2016e	
	Full Year	Full year	Change
<b>Net Sales</b>	218.5	<b>225.0</b>	(+3.0%) <b>+6.4</b>
<b>Operating income</b>	18.9	<b>19.5</b>	(+2.9%) <b>+0.5</b>
<b>Ordinary income</b>	17.3	<b>18.5</b>	(+6.8%) <b>+1.1</b>
<b>Net income</b>	11.5	<b>12.0</b>	(+3.5%) <b>+0.4</b>
<b>Dividend per share</b>	10yen	<b>10yen</b>	

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# Mid-term Plan & Long-term vision

## Overview

(Billions of yen)

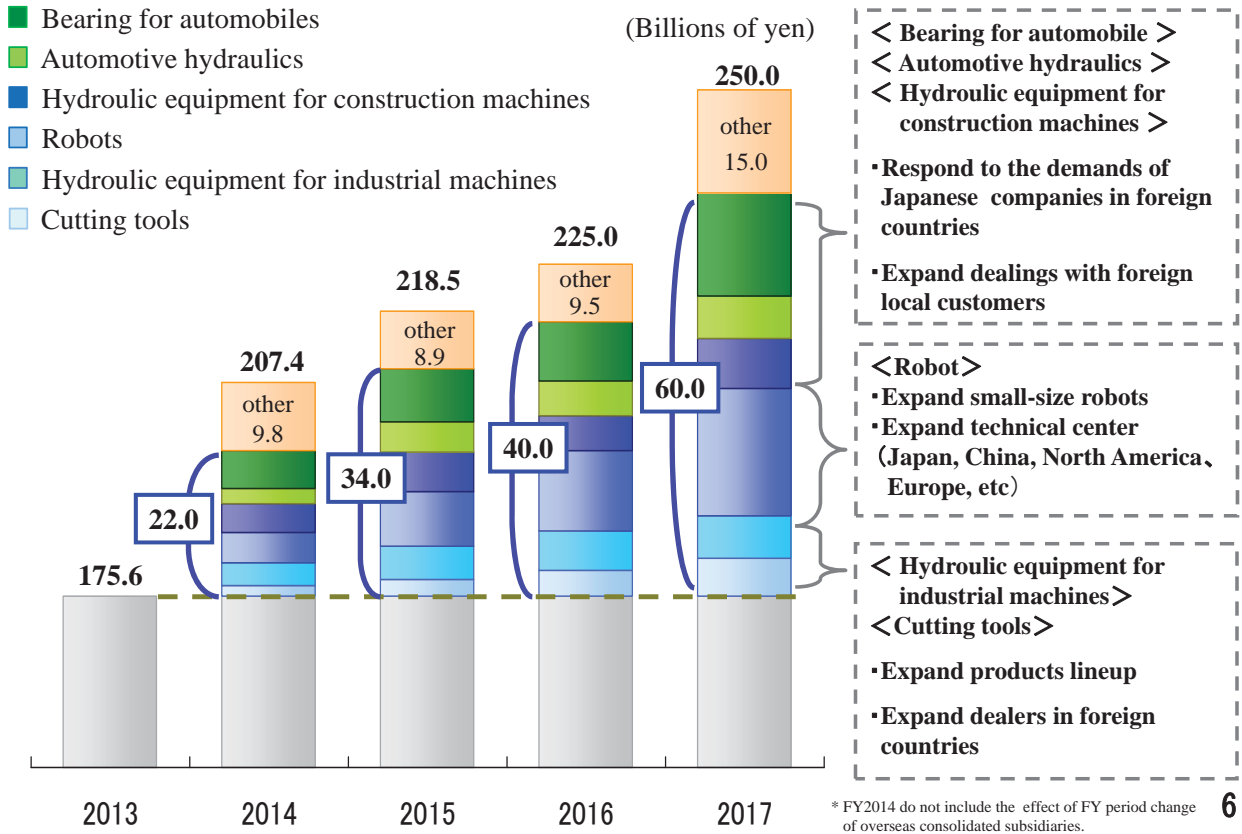


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Long-term vision 5

# Sales of Strategic 6 products

## Overview



# Expanding products lineup

## Overview



### < Carbide Drill & Tap >

- Expand the sizes and series
- Strengthen combine-sales (Carbide drill & tap)



### < Energy Saving Compact Hydraulic Equipment >

- Respond to the demand for energy-saving in developing countries.



### < Small-sized Robot >

- Release Scala-robots
- Cultivate new business sector food industry, pharmaceutical industry, etc



### <Policies of Strengthening Overseas Sales>

- Sales activity should be done at the markets in demand
- Local production for Local consumption

#### 【Sales】

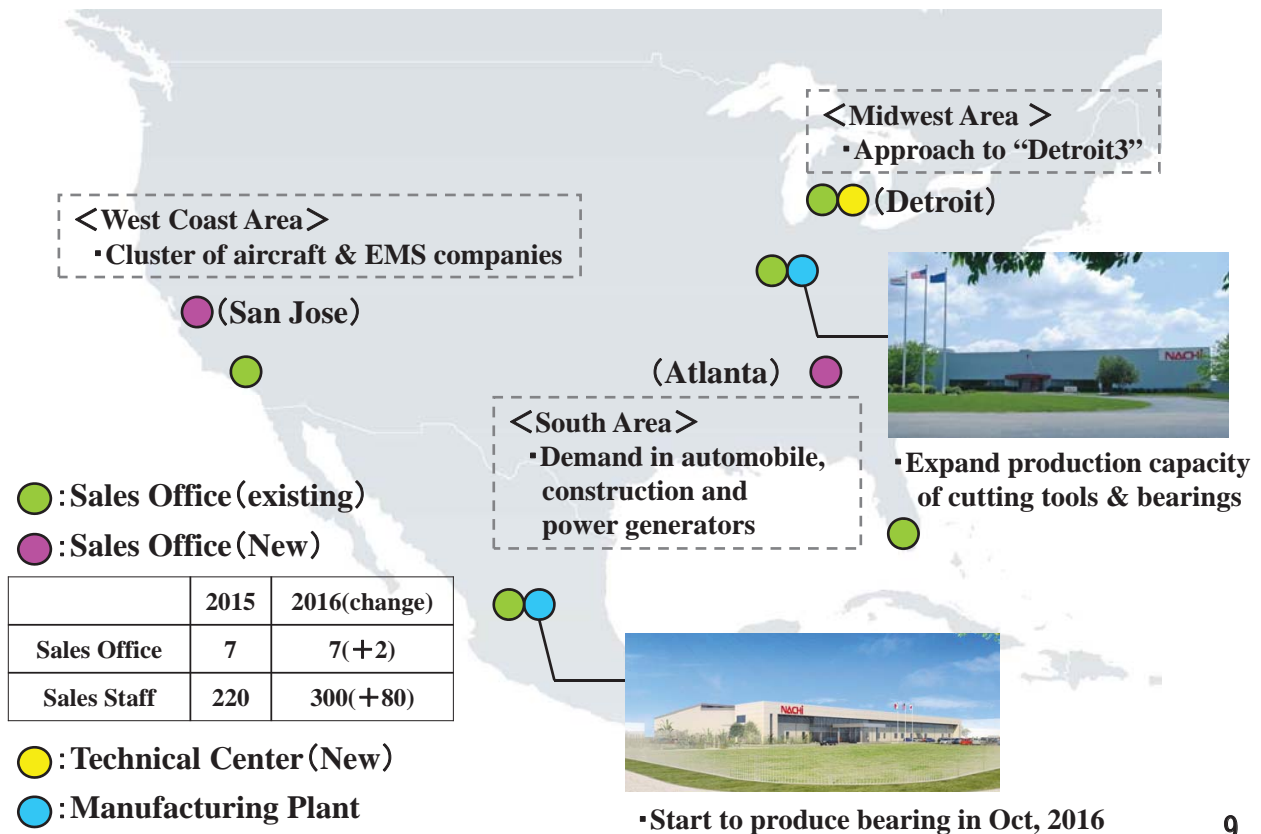
- Expand direct sales activity in overseas market

- Strengthen overseas sales dept
- Increase the number of sales staff
- Establish technical center for robots business

#### 【Production】

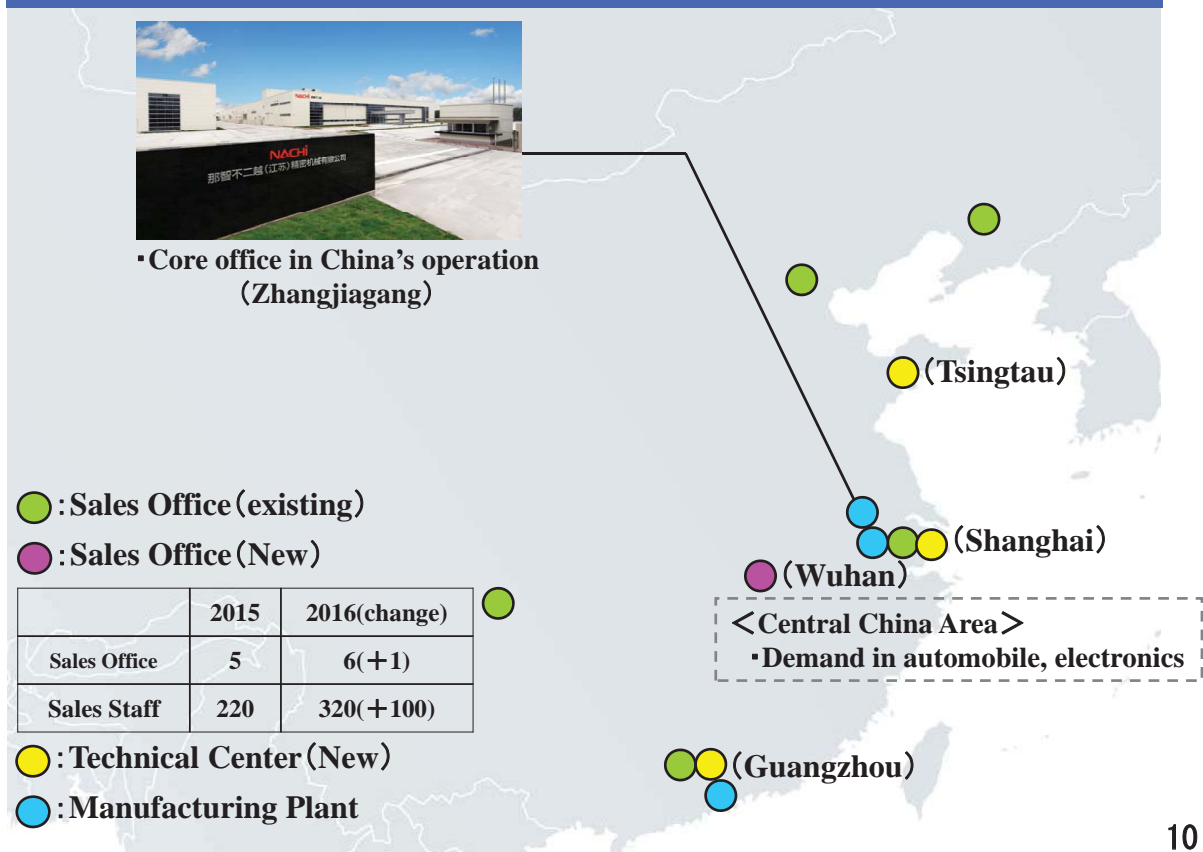
- Introduce “effective production system” to overseas factory
- Expand “In-house production system” in overseas factory

# Activity in North America Area



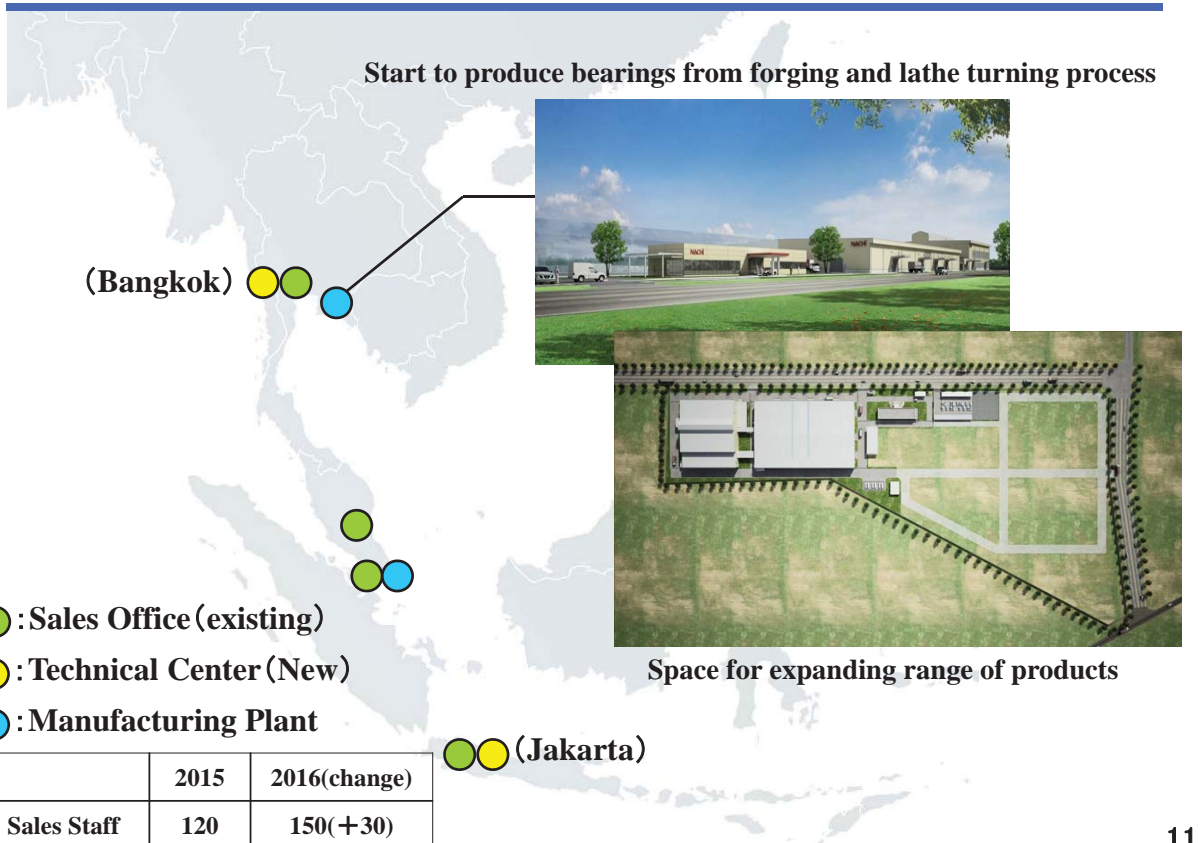
# Activity in China Area

## Overview



# Activity in ASEAN Area

## Overview



### < Responding to Globalization >

#### ○ Increase local sales staff

- Local people only know a mind of local people
- Hire more local workers and assign to the executive

#### ○ Empowerment of female employees

- Route-sales to foreign local dealers
- Improve the environment and system of working

# Overview of FY2015 full year results

# Financial highlights of FY2015

**FY2015**

(Billions of yen)

	FY2014		FY2015	
	Full Year	Full Year * In real terms	Full Year	Change
<b>Net Sales</b>	218.2	207.4	<b>218.5</b>	(+5.3%) <b>+11.0</b>
<b>Operating Income</b>	18.5	(8.7%) 18.0	<b>18.9</b>	(+4.9%) <b>+0.8</b>
<b>Ordinary Income</b>	18.4	(8.6%) 17.8	<b>17.3</b>	(Δ3.2%) <b>Δ0.5</b>
<b>Net Income</b>	9.9	9.5	<b>11.5</b>	(+21.9%) <b>+2.0</b>

\* FY2014 do not include the effect of FY period change of overseas consolidated subsidiaries.

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# Financial Data

**FY2015**

(Billions of yen)

	FY2014 (A)	FY2015 (B)	Change (B) - (A)
<b>Total assets</b>	255.6	<b>268.1</b>	+12.5
<b>Stockholder's equity</b> (stockholder's equity ratio)	(35.8%) 91.5	<b>(38.3%) 102.5</b>	+11.0
<b>Interest-bearing debt</b> (Net D/E ratio)	(×0.4) 64.1	<b>(×0.5) 72.8</b>	+8.7
<b>Capital investment</b>	20.6	<b>23.2</b>	+2.6
<b>Depreciation</b>	11.7	<b>12.9</b>	+1.2
<b>Number of employees</b>	6,296	<b>6,557</b>	+261
<b>Exchange rate (USD)</b> <b>(Euro)</b>	103yen 139yen	<b>120yen</b> <b>135yen</b>	17yen depreciation 4yen appreciation

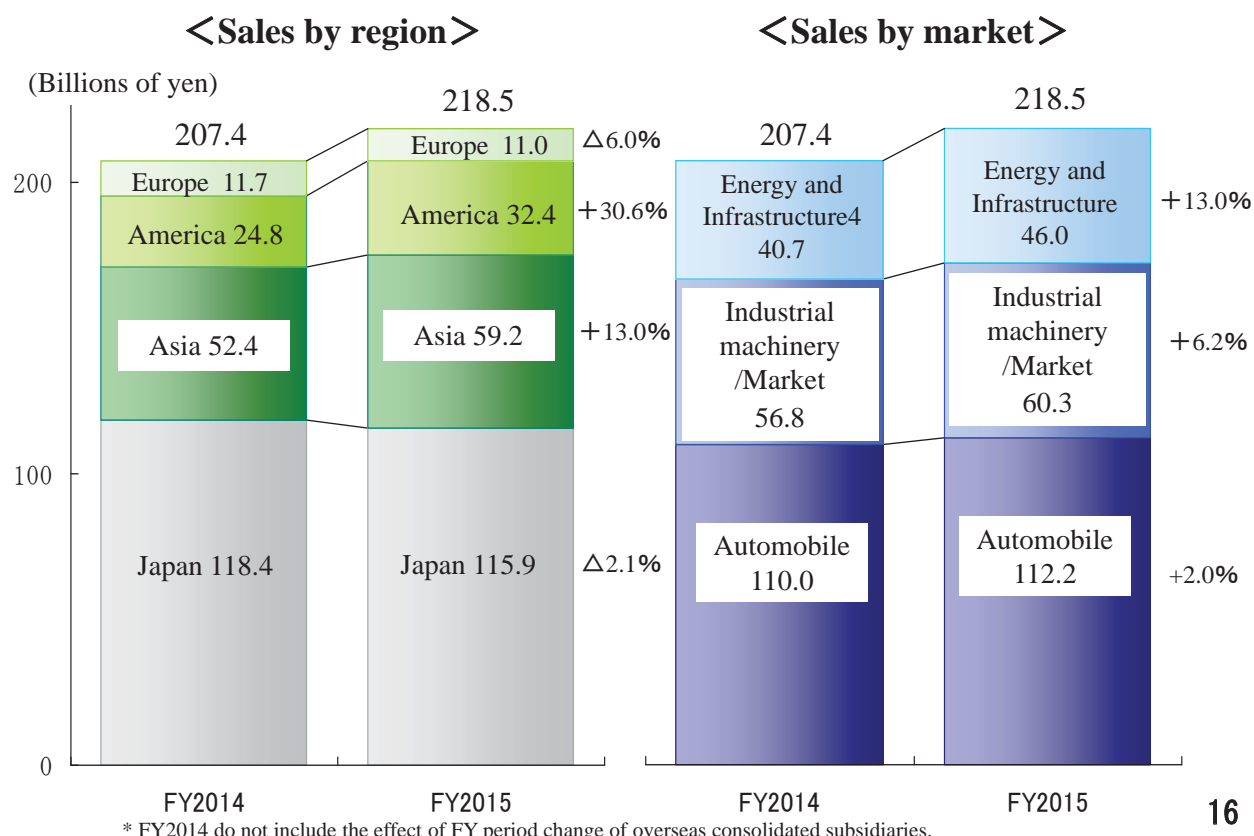
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# Sales by Region and Market Segment

FY2015



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# Sales by region and market segment

FY2015

(Billions of yen)

	FY2014 (A)	FY2015 (B)	change (%)	(B) - (A)
<b>Machinery &amp; Tool</b>				
Net sales	72.2	75.4	(+4.5%)	+3.2
Operating Income	(9.1%) 6.5	(11.3%) 8.5	(+29.6%)	+2.0
<b>Components</b>				
Net sales	117.7	126.4	(+7.5%)	+8.7
Operating Income	(8.1%) 9.4	(6.9%) 8.7	(Δ7.8%)	Δ0.7
<b>Materials &amp; others</b>				
Net sales	17.5	16.5	(Δ5.7%)	Δ1.0
Operating Income	(11.0%) 1.9	(10.3%) 1.7	(Δ11.8%)	Δ0.2
<b>Total Net sales</b>	207.4	218.5	(+5.3%)	+11.0
<b>Total Operating Income</b>	(8.7%) 18.0	(8.7%) 18.9	(+4.9%)	+0.8

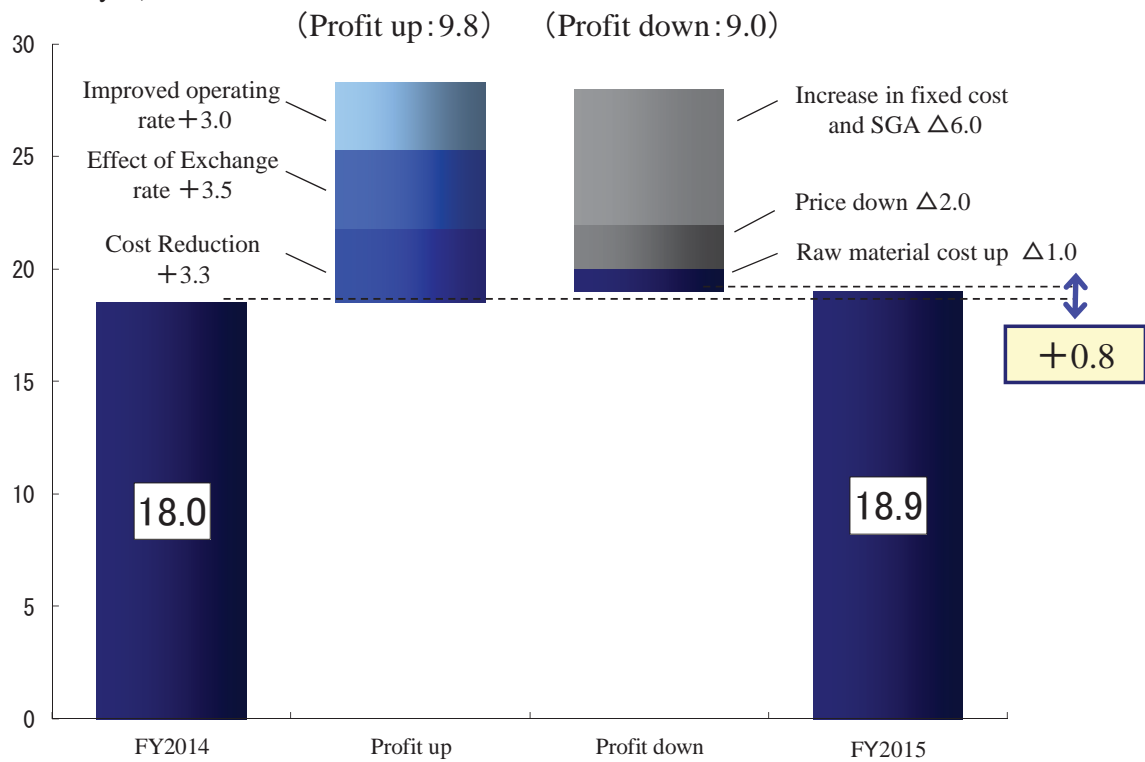
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# Factors for change in operating income

FY2015

(Billions of yen)



\* FY2014 do not include the effect of FY period change of overseas consolidated subsidiaries.

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# Outlook for FY2016

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## Financial highlights of FY2016

**FY2016e**

(Billions of yen)

	FY2015 (A)	FY2016e (B)	change (%) (B) - (A)
<b>Net Sales</b>	218.5	<b>225.0</b>	(+3.0%) +6.4
<b>Operating Income</b>	18.9	(8.7%) <b>19.5</b>	(+2.9%) +0.5
<b>Ordinary Income</b>	17.3	(8.2%) <b>18.5</b>	(+6.8%) +1.1
<b>Net Income</b>	11.5	<b>12.0</b>	(+3.5%) +0.4

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## Financial Data

**FY2016e**

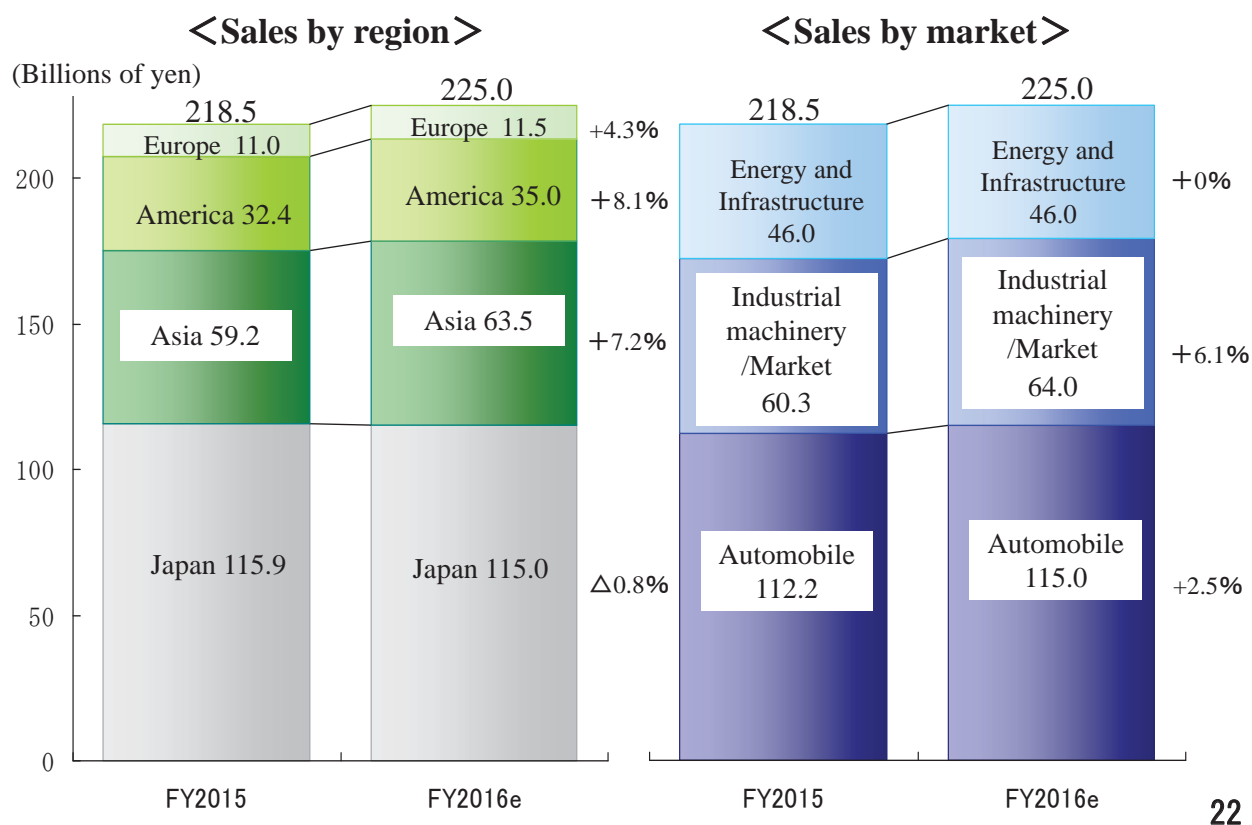
(Billions of yen)

	FY2015 (A)	FY2016e (B)	Change (B) - (A)
<b>Total assets</b>	268.1	<b>284.0</b>	+15.9
<b>Stockholder's equity</b> (stockholder's equity ratio)	(38.3%) 102.5	(39.4%) <b>112.0</b>	+9.5
<b>Interest-bearing debt</b> (Net D/E ratio)	(×0.5) 72.8	(×0.5) <b>82.6</b>	+9.8
<b>Capital investment</b>	23.2	<b>23.0</b>	△0.2
<b>Depreciation</b>	12.9	<b>14.3</b>	+1.4
<b>Number of employees</b>	6,557	<b>7,000</b>	+443
<b>Exchange rate (USD)</b>	120yen	<b>120yen</b>	±0
<b>(Euro)</b>	135yen	<b>130yen</b>	5yen appreciation

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# Sales by Region and Market Segment

**FY2016e**



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# Sales by region and market segment

**FY2016e**

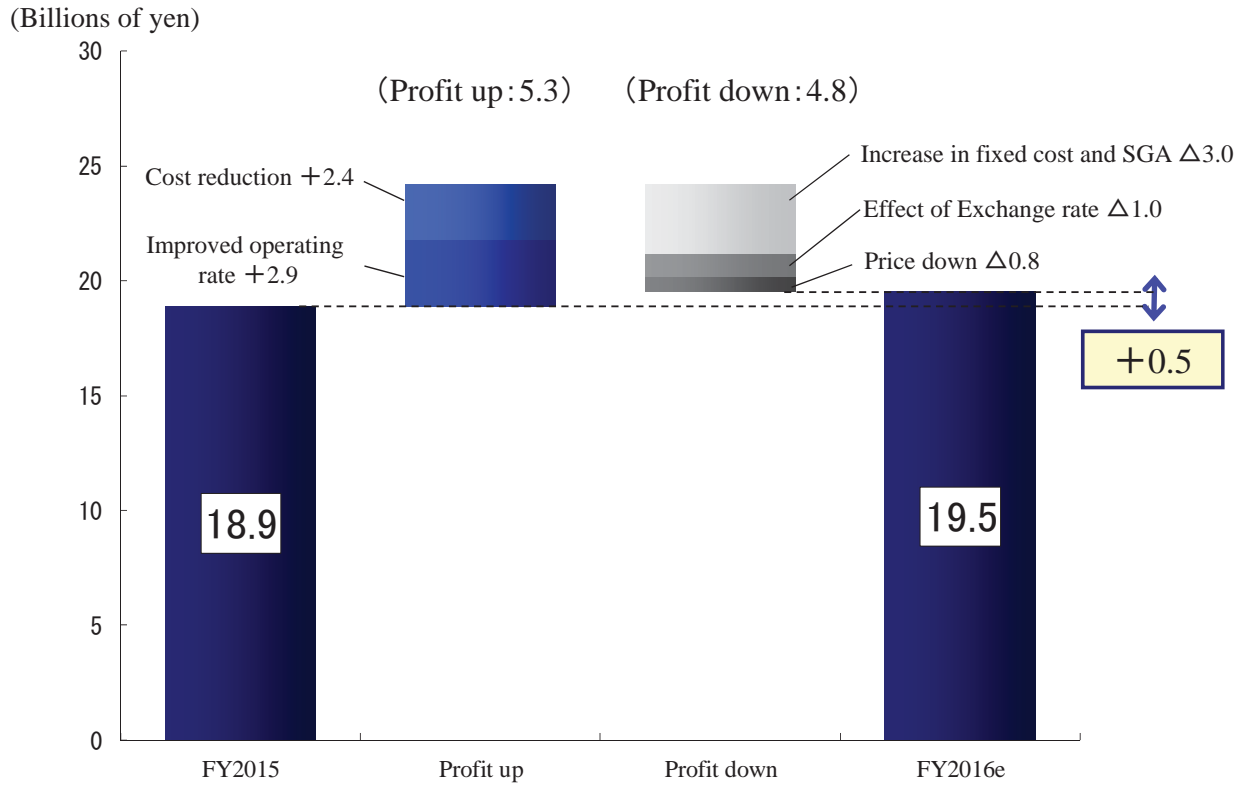
(Billions of yen)

	FY2015 (A)	FY2016e (B)	change (%)	(B) - (A)
<b>Machinery &amp; Tool</b>				
Net sales	75.4	<b>80.0</b>	(+6.0%)	+4.5
Operating Income	(11.3%) 8.5	<b>(10.6%) 8.5</b>	(Δ0.1%)	Δ0
<b>Components</b>				
Net sales	126.4	<b>129.5</b>	(+2.4%)	+3.0
Operating Income	(6.9%) 8.7	<b>(7.5%) 9.7</b>	(+10.8%)	+0.9
<b>Materials &amp; others</b>				
Net sales	16.5	<b>15.5</b>	(Δ6.4%)	Δ1.0
Operating Income	(10.3%) 1.7	<b>(8.4%) 1.3</b>	(Δ23.6%)	Δ0.4
<b>Total Net sales</b>	<b>218.5</b>	<b>225.0</b>	<b>(+3.0%)</b>	<b>+6.4</b>
<b>Total Operating Income</b>	<b>(8.7%) 18.9</b>	<b>(8.7%) 19.5</b>	<b>(+2.9%)</b>	<b>+0.5</b>

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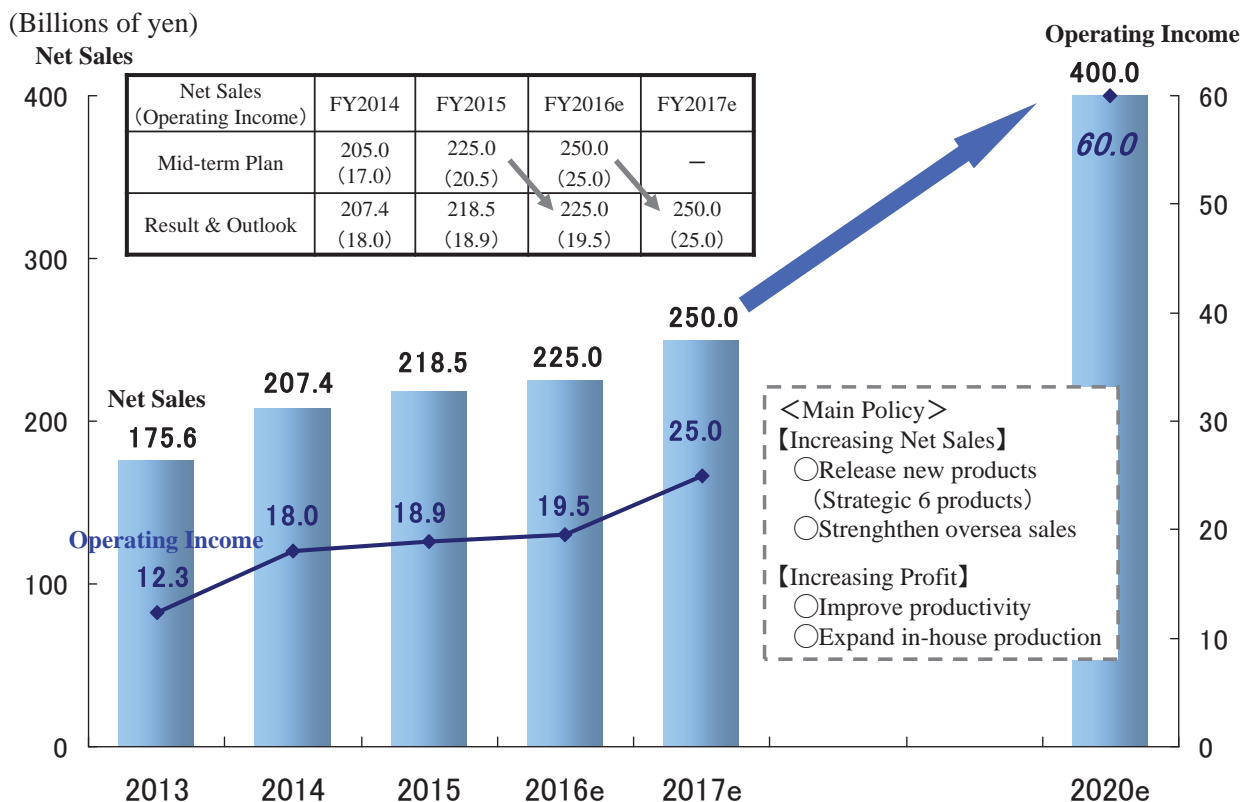
# Factors for change in operating income

FY2016e



# Mid-term Plan & Long-term vision

FY2016e



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# NACHI

<http://www.nachi-fujikoshi.co.jp/>

These materials describe our future earnings forecasts and business plans, and are based on the assumption of an economic environment and business policies that remain fixed as they are now. Therefore, please note that actual earnings are subject to numerous factors, including market fluctuations and currency fluctuations, which may result in a different earnings forecast.